



# SFPI

Misc. Bldg &amp; Construct Prod / France

## Allowing for the 2022 actual figures and MAC restructuring efforts

Hands-on conglomerate with a locks forte - 30/05/2023

### Change in EPS

2023 : € 0.30 vs 0.37	-19.2%
2024 : € 0.33 vs 0.38	-13.5%

We have trimmed our 2023 forecasts somewhat to allow for continuing restructuring efforts at the MAC business unit that are due to last into 2024. Incremental gains look a tad more difficult in 2023 after the good cost control in 2022. The Capital Goods units (NEU JFK and MMB) are having another strong year in 2023 while the demand for closures at MAC may be slowing.

### Change in NAV

€ 6.17 vs 6.55	-5.80%
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While the value of the main legs of SFPI is essentially flat on cautious industry multiples, the drop in the net cash position (following useful acquisitions) is taking its toll.

### Change in DCF

€ 3.78 vs 4.34	-12.9%
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Allowing for the restructuring of MAC impacts FCF generation during the near-term years (costs + extra capex), thereby lowering the group's FCF and the base for the out-year projections.



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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

<b>Buy</b>	<b>Upside : 98.4%</b>
Target Price (6 months)	€ 4.38
Share Price	€ 2.21
Market Cap. €M	219
Price Momentum	<b>UNFAVORABLE</b>
Extremes 12Months	2.02 ▶ 2.78
Bloomberg	SFPI FP Equity
Reuters	SFPI.PA

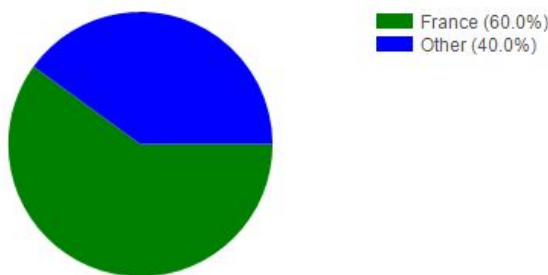
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PERF	1w	1m	3m	12m
SFPI Group	-0.45%	0.45%	-16.8%	-17.2%
Building Prod. & Materials	-2.77%	1.32%	-0.66%	8.23%
SXXR Index	-1.69%	-0.62%	1.49%	6.56%

Last updated: 30/05/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	9.39	7.35	6.76	5.69
Dividend yield (%)	1.91	2.71	2.94	3.17
EV/EBITDA(R) (x)	4.92	3.65	3.37	2.88
Adjusted EPS (€)	0.28	0.30	0.33	0.39
Growth in EPS (%)	-16.9	7.67	8.72	18.8
Dividend (€)	0.05	0.06	0.07	0.07
Sales (€M)	629	715	740	787
EBIT margin (%)	5.72	5.71	5.95	6.22
Attributable net profit (€M)	21.7	25.7	28.1	33.8
ROE (after tax) (%)	9.03	9.95	10.1	11.3
Gearing (%)	-14.0	-1.63	-4.11	-8.11

[Company Valuation](#) - [Company Financials](#)

## Sales by Geography



## Consolidated P&L Accounts

	12/22A	12/23E	12/24E
Sales	€M 629	715	740
Change in sales	% 10.6	13.7	3.45
Change in staff costs	% 8.64	15.0	7.26
EBITDA	€M 57.1	63.7	64.7
<b>EBITDA(R) margin</b>	<b>% 9.08</b>	<b>8.91</b>	<b>8.74</b>
Depreciation	€M -21.4	-22.7	-23.0
Underlying operating profit	€M 35.7	41.0	41.7
<b>Operating profit (EBIT)</b>	<b>€M 31.9</b>	<b>36.3</b>	<b>38.0</b>
Net financial expense	€M -0.20	-0.20	-0.20
of which related to pensions	€M	-1.40	-1.44
Exceptional items & other	€M		
Corporate tax	€M -10.2	-10.8	-10.0
Equity associates	€M 0.11	0.20	0.20
Minority interests	€M 0.16	0.16	0.16
<b>Adjusted attributable net profit</b>	<b>€M 25.7</b>	<b>27.7</b>	<b>30.1</b>
NOPAT	€M 26.9	32.0	32.6

## Cashflow Statement

	12/22A	12/23E	12/24E
EBITDA	€M 57.1	63.7	64.7
Change in WCR	€M -23.4	-7.69	-2.35
Actual div. received from equity holdi...	€M 0.00	0.00	0.00
Paid taxes	€M -10.1	-10.8	-10.0
Exceptional items	€M		
Other operating cash flows	€M 2.00	-1.00	-1.00
Total operating cash flows	€M 25.6	44.3	51.3
Capital expenditure	€M -22.7	-27.2	-26.6
Total investment flows	€M -56.5	-41.2	-31.6
Net interest expense	€M -0.20	-0.20	-0.20
Dividends (parent company)	€M -7.37	-4.60	-5.52
Dividends to minorities interests	€M -0.10	-0.10	-0.10
New shareholders' equity	€M -1.62	0.00	0.00
Total financial flows	€M -1.07	20.5	-4.39
Change in cash position	€M -32.0	23.6	15.3
<b>Free cash flow (pre div.)</b>	<b>€M 2.68</b>	<b>16.9</b>	<b>24.5</b>

## Per Share Data

		12/22A	12/23E	12/24E
No. of shares net of treas. stock (year...)	Mio	92.2	92.2	92.2
Number of diluted shares (average)	Mio	92.2	92.2	92.2
<b>Benchmark EPS</b>	<b>€</b>	<b>0.28</b>	<b>0.30</b>	<b>0.33</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.05</b>	<b>0.06</b>	<b>0.07</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 3.78	35%	<ul style="list-style-type: none"> <li>● dormakaba</li> <li>● GEA Group</li> <li>● Alfa Laval</li> <li>● Travis Perkins</li> <li>● IMI</li> </ul>
NAV/SOTP per share	€ 6.17	20%	
EV/Ebitda	€ 4.42	20%	
P/E	€ 4.42	10%	
Dividend Yield	€ 2.81	10%	
P/Book	€ 4.42	5%	
TARGET PRICE	€ 4.38	100%	

### NAV/SOTP Calculation

## Balance Sheet

	12/22A	12/23E	12/24E
Goodwill	€M 71.5	71.5	71.5
Total intangible	€M 74.1	74.5	74.5
Tangible fixed assets	€M 85.3	87.0	88.7
Financial fixed assets	€M 3.10	3.16	3.23
WCR	€M 178	186	188
Other assets	€M 40.0	40.8	41.6
Total assets (net of short term liab.)	€M 411	423	428
<b>Ordinary shareholders' equity</b>	<b>€M 249</b>	<b>268</b>	<b>287</b>
Quasi Equity & Preferred	€M		
Minority interests	€M 0.14	1.00	1.00
Provisions for pensions	€M 55.0	43.1	44.2
Other provisions for risks and liabilities	€M 13.2	15.0	15.0
Total provisions for risks and liabilities	€M 68.2	58.1	59.2
Tax liabilities	€M 8.73	8.91	8.91
Other liabilities	€M 89.5	91.3	91.3
<b>Net debt (cash)</b>	<b>€M -4.58</b>	<b>-4.15</b>	<b>-19.4</b>
Total liab. and shareholders' equity	€M 411	423	428

## Capital Employed

	12/22A	12/23E	12/24E
Capital employed after depreciation	€M 340	350	354

## Profits & Risks Ratios

		12/22A	12/23E	12/24E
<b>ROE (after tax)</b>	<b>%</b>	<b>9.03</b>	<b>9.95</b>	<b>10.1</b>
ROCE	%	7.91	9.14	9.18
<b>Gearing (at book value)</b>	<b>%</b>	<b>-14.0</b>	<b>-1.63</b>	<b>-4.11</b>
Adj. Net debt/EBITDA(R)	x	-0.08	-0.07	-0.30
Interest cover (x)	x	176	-34.1	-33.7

## Valuation Ratios

		12/22A	12/23E	12/24E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>9.39</b>	<b>7.35</b>	<b>6.76</b>
Free cash flow yield	%	1.11	8.29	12.0
P/Book	x	0.97	0.76	0.71
<b>Dividend yield</b>	<b>%</b>	<b>1.91</b>	<b>2.71</b>	<b>2.94</b>

## EV Calculation

		12/22A	12/23E	12/24E
Market cap	€M	242	204	204
+ Provisions	€M	68.2	58.1	59.2
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-28.9	-28.9	-44.7
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	2.00	2.00	2.00
+ Minority interests (fair value)	€M	2.00	2.00	2.00
= EV	€M	281	233	218
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>4.92</b>	<b>3.65</b>	<b>3.37</b>
EV/Sales	x	0.45	0.33	0.29

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 30/05/2023.